



Senate

General Assembly

File No. 98

February Session, 2018

Substitute Senate Bill No. 203

Senate, March 28, 2018

The Committee on Insurance and Real Estate reported through SEN. LARSON of the 3rd Dist. and SEN. KELLY of the 21st Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING CONTINUING EDUCATION CREDITS FOR INSURANCE PRODUCERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-782a of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective July 1, 2018*):

3 The commissioner may adopt regulations in accordance with
4 chapter 54 [relating to the establishment of] to establish continuing
5 education requirements for persons licensed as insurance producers,
6 provided: [the]

7 (1) The commissioner shall suspend such requirements for any
8 person who is a public official during the period such person serves as
9 a public official, if the person is prohibited from selling insurance
10 during that period. As used in this [section] subdivision, "public
11 official" means any state-wide elected officer, any member or member-
12 elect of the General Assembly, or a senator or representative in

13 Congress.

14 (2) If any such regulations require that a person licensed as an
15 insurance producer earn six or more hours of continuing education
16 credit during any two-year period, the commissioner shall grant at
17 least six hours of continuing education credit to such person if such
18 person is an active member of a state-wide professional insurance
19 producer association during such period. As used in this subdivision:

20 (A) "State-wide professional insurance producer association" means
21 an association that (i) has existed for ten or more years, (ii) derives its
22 membership from persons licensed as insurance producers in this
23 state, and (iii) is dedicated to promoting the integrity, trustworthiness,
24 professionalism and business interests of its members through
25 education, advocacy, social interaction and the development of sound
26 business practices; and

27 (B) "Active member" means a person licensed as an insurance
28 producer in this state who certifies to the commissioner, for the
29 applicable two-year period, that such person (i) was a member in good
30 standing of a state-wide professional insurance producer association,
31 (ii) attended at least one educational meeting, presentation or
32 conference sponsored by the state-wide professional insurance
33 producer association during such two-year period, and (iii) read all
34 ethical standards applicable to such person in such person's capacity as
35 a licensed insurance producer.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2018	38a-782a
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INS

Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Insurance Dept.	IF - Potential Cost	113,602	113,602

Note: IF=Insurance Fund

Municipal Impact: None

Explanation

This bill requires the Insurance Commissioner to grant six continuing education credits to active members of statewide professional insurance producer associations (henceforth "associations"). To the extent that the award of these credits cannot be managed through the existing process, the bill results in a potential cost of \$113,602 for the salary and fringe benefits for one licensing and applications analyst to verify and manage credit applications.

The Insurance Department currently utilizes a third party vendor to manage continuing education credit data for over 115,000 insurance producers licensed by the Department. Sponsors of continuing education courses are required by current regulations to submit all relevant information; however associations are not currently under that obligation. The vendor's original contract specifies that "all costs for services rendered...should be without cost to the state." If the vendor contract and Insurance Department regulations could be amended to include association-submitted active membership information into the current continuing education credit process, no fiscal impact is anticipated.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future.

*Sources: Connecticut Insurance Department
Connecticut Insurance Department Dashboard 2017
Contract with Prometric, Inc.*

OLR Bill Analysis**sSB 203*****AN ACT CONCERNING CONTINUING EDUCATION CREDITS FOR INSURANCE PRODUCERS.*****SUMMARY**

This bill requires the insurance commissioner to credit six hours of continuing education during each two-year period to a licensed insurance producer who is an active member of a statewide professional insurance producer association during that period. This applies if regulations require that licensed insurance producers earn at least six hours of continuing education during any two-year period.

State law allows the commissioner to adopt regulations establishing continuing education requirements for licensed insurance producers. Adopted regulations generally require producers to earn at least 24 hours of continuing education every two years (Conn. Agencies Regs. § 38a-782a-2).

EFFECTIVE DATE: July 1, 2018

DEFINITIONS***Active Member***

Under the bill, an “active member” is a Connecticut-licensed insurance producer who certifies to the insurance commissioner that, for the applicable two-year period, he or she:

1. was a member in good standing of a statewide professional insurance producer association;
2. attended at least one educational meeting, presentation, or conference sponsored by the association during the two-year period; and

3. read all ethical standards applicable to him or her as a licensed insurance producer.

Statewide Professional Insurance Producer Association

The bill defines a “statewide professional insurance producer association” as an association that:

1. has existed for at least 10 years;
2. has Connecticut-licensed insurance producers as members; and
3. promotes the integrity, trustworthiness, professionalism, and business interests of its members through education, advocacy, social interaction, and the development of sound business practices.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 17 Nay 4 (03/15/2018)